

## INTERNATIONAL BUSINESS NEWS –MAY 2007

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## UPCOMING EVENTS



### THE AMERICAS COMPETITIVENESS FORUM June 11-12, 2007 - Atlanta, GA

Hosted by United States Secretary of Commerce Carlos Gutierrez, the forum is a venue for Western Hemisphere economic and education ministers, business executives, academics and non-profit leaders to meet, be heard and network.

#### Tools to Increase Your Bottom Line:

- One-on-one appointments with Senior Commercial Officers provide specific market insights to help your organization succeed in the Western Hemisphere:

Concrete strategies for your company's competitiveness through innovation, workforce development supply chain strategies, and small business development

Unprecedented networking opportunities with 3 U.S. cabinet members, 20 minister-level foreign officials, 3 vice presidents, and 13 senior commercial officers, business leaders, and other experts from the region

To learn more and to register, [click here.](#)



### GOVERNOR'S EUROPEAN MISSION June 18-June 28, 2007

The Honorable Gov. Sonny Perdue will embark on a business mission to Europe this summer and Georgia companies have a unique opportunity to join him on individual stops and have prearranged business meetings if desired. Companies do not have to attend each city stop, choose the one you want. Business appointments are available for the Ireland, Czech Republic and Germany stops only. If you are already planning a trip and do not need the Business Matching service, or you would like to send your international representatives on your behalf, they are welcome to join the evening receptions at no charge. **The deadline to sign up for the Business Matching Service and to register for the in-country receptions is May 23, 2007.** Contact Alicja Drolet, 404-962-4122, [adrolet@georgia.org](mailto:adrolet@georgia.org)

## BRAZIL LOOKS TO JOIN INTERNATIONAL TRADEMARK APPLICATION SYSTEM

According to the April 5th, 2007 edition of the Brazilian daily newspaper *Gazeta Mercantil* and our contacts at the Brazilian Institute of Industrial Property ("INPI"), Brazil has decided that next January it will adhere to the Madrid system for the international registration of marks, which is administered by the World Intellectual Property Organization ("WIPO"), currently includes 80 member nations. Under the Madrid system ("Madrid"), a company applying for a trademark registration in Brazil will be able to designate to have its mark recognized by any of the signatory countries.

The new agreement should reduce trademarks registration costs for those seeking to have their trademark registered in any of the member countries. Another advantage is that under Madrid the wait time for receiving the registration cannot exceed 18 months. Currently, registering a trademark in Brazil takes an estimated three years. INPI says that the wait times will be reduced. "We conducted examinations, we improved the infrastructure and salaries of the examiners to make the registration of trademarks and patents more agile," INPI's President Jorge Avila told *Gazeta Mercantil*.

The major advantage of Madrid is that it will simplify the registration process. When Brazil is a signatory of the treaty, an applicant would only need to file one international trademark application with INPI, and can designate any of the member countries where it would also like registration. If the trademark office of a designated country does not refuse protection within a specified period, the protection of the mark is the same as if it had been registered directly with that foreign office. There will be an important reduction in cost and procedures, since companies may not need to contract lawyers in each country where they plan to register their trademarks. For more information about Intellectual Property-related subjects please contact:

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**AIR EXPRESS SHIPMENT TO BRAZIL**  
**By Marina Konno – Sao Paulo - April 2007**

Air express shipments to Brazil can be divided into two categories:

- a) Goods valued up to US\$ 3,000 for documents, samples and business-to-consumer deliveries;
- b) Goods valued above US\$ 3,000, and business-to-business shipments for production or resale, regardless of their value.

For gifts, samples and business-to-consumer deliveries valued up to US\$3,000, the import duty (II) is always fixed at 60 percent. Added to this duty is the Merchandise Circulation Tax (ICMS), which varies from state to state. The ICMS for the State of Sao Paulo is 18 percent. Documents are exempt from such taxes, but samples, catalogs and gifts are subject to both II and ICMS.

Taxes in Brazil cascade, meaning that the ICMS will be based on the value of the good plus the import duty.

When a U.S.-based entity pays the freight, the taxes are calculated based on the value declared in the invoice. When the freight is paid in Brazil, however, taxes are calculated based on the invoiced value plus freight.

Customs clearance for this type of shipment is conducted at the air express company's warehouse.

Air express companies can also handle goods valued above US\$3,000 if their weight is less than 2,200 lbs. In this case, a customs broker needs to be hired, and the shipment is cleared at the Brazilian government's warehouse with payment of regular import-related taxes and fees. The air express company can deliver the package to its final destination only after the broker clears the shipment.

It is important that U.S. companies understand the advantages of using express delivery services and the requirements imposed by the Brazilian government for such deliveries in order to avoid delays and payment of unnecessary fees and duties. Major U.S. companies, FedEx and UPS, are active in Brazil.

Additionally, it is extremely important to ensure all paperwork is filled out correctly. U.S. companies should contact their local UPS or FedEx branches to ask any specific questions they may have, as many of the shipments held up at customs are done so because of paperwork errors.

**IOMA'S "Managing Imports & Exports"**  
**"Ask the Experts"® - May 2007**

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IOMA's "Ask the Experts" team-Alan Gaudio, Robert Imbriani, and Joseph Zodi, consultants for Unz & Co.-answer readers' import- or export-related questions.

This month's column is by Robert Imbriani, Vice President International Operations for Associated Global Systems. Readers may submit questions to [cdhorner@ioma.com](mailto:cdhorner@ioma.com).

*George Barnes, Director, Global MBA Online Program, School of Management/UTD Asks:*

"Can you summarize which payment methods are most often favored for different regions of the world?"

*Mr. Imbriani Answers:*

The answer depends on who is asking this very common question. All options should be considered, and decisions made are based on the details of the specific transaction as worked out during the earliest stages of negotiation between seller and buyer. From a seller's standpoint, cash in advance is the most secure method of payment but can drive potential buyers to other suppliers who offer some form of credit. When cash in advance is required, credit risk and cost of money shifts completely to the buyer. From a buyer's standpoint, the most attractive payment method is open-account, or net, terms. This allows the buyer to pay for goods some time after receipt-closer to the time of use or resale, thus reducing the buyer's cost of money. This keeps credit risk with the seller.

Payment terms in descending order, beginning with the most attractive to the seller and least attractive to the buyer in terms of risk, are as follows:

- Cash in advance
- Cash on delivery of the goods (COD)
- Documentary collection/drafts
- Formal letter of credit
- Standby letter of credit
- Open-account/Net terms

Each term has its advantages and disadvantages. Country considerations are also a factor. The term least attractive to both parties-and therefore rarely used-is COD, due to the difficulties of collecting payment upon the physical delivery of goods in an international transaction. The term often considered to most equitably balance advantages and disadvantages between seller and buyer is a formal letter of credit. Negotiating all the terms and conditions of the letter of credit at the time of sale helps ensure that it is acceptable to both parties. Currently letters of credit are governed by UCP500

(Uniform Customs and Practices for Documentary Credits)-to be replaced as of July 1, 2007 by UCP600.

#### **EU: ADDITIONAL CUSTOMS DUTIES ON CERTAIN U.S. GOODS – MAY 2007**

As of May 1, 2005, the European Union has been applying a 15% ad valorem additional customs duty on certain American imports as a response to the US's Byrd Amendment legislation. Two years ago, the impact of the Byrd Amendment on the EU marketplace was estimated at \$28 million. The European Commission now estimates the impact has risen to more than \$81 million and is adding goods to the affected list as a means to compensate for the increased impact. In the 2005 legislation, 18 items incurred the additional duty. A year later, the Commission added eight more products to the affected list to pay costs for a \$37 million impact on the marketplace.

Now, as of May 1, 2007, 32 more products are being added to the list for a total of 58 products subject to the additional 15% duty. Items vary and include clothing and footwear, paper goods, corn, eyeglass frames, lorry truck-type vehicles, pneumatic hand tools, plastic furniture, pens/markers, printers and prefabricated buildings. For a link to the complete list of items and to read the 2-page report "European Union: Additional 15% Customs Duties on Certain US Goods," go to  
<http://www.buyusa.gov/arkansas/eu15.pdf>.

#### **USEFUL WEBSITES**

##### **Shipping Logistics Exports for Costa Rica, Caribbean and Latin America**

"Free Logistics Today" magazine. The articles are also available online. For more info:  
[www.logisticstoday.com](http://www.logisticstoday.com)

##### **Terrorism Hot Spots**

Terrorism affects us all, and in today's world you have to be aware of where the terrorist hot spots are. You may be surprised at how many hot spots there are if you visit the Global Incident Map, <http://www.globalincidentmap.com>, which is a world map showing the location of the most recent terrorism and other suspicious events. This easy-to-use tool can show you a closer look of any area, along with informational links to news about terrorist activities. There are links to breaking news stories and alerts, as well as tools to help you search for events by country, type of incident, date, and city. Source: The Federation of International Trade Associations Newsletter

#### **COMMERCIAL NEWS USA Official Export Promotion Magazine Of the U.S. Department of Commerce**

**Industries featured in the Sep-Oct Issue:**

**Automotive  
Manufacturing/Industrial Products**

**Deadline for Registration:**

**Space: July 13  
Materials: July 20**

**For more information:**

**<http://www.export.gov/cnusa>**

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**We hope you've enjoyed this edition  
of our newsletter.  
Any mention of non-government sources  
does not constitute endorsement.**

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